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*NOT LICENSED IN NEW MEXICO

September 22, 1993

Florene Davidson
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Re: Application of Santa Fe Energy Operating Partners, L.P.
for an Unorthodox Gas Well Location and To Amend Order
No. R-9904, Lea County, New Mexico (Case No. 10,828)

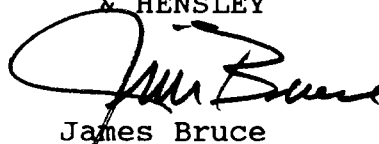
Dear Florene:

Please find enclosed the original and two copies of a Pre-Hearing Statement for filing in the above-referenced case.

Thank you.

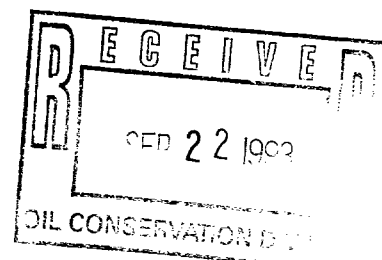
Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

Enclosures

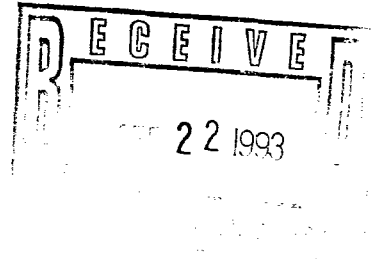
VIA HAND DELIVERY



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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:



APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR AN
UNORTHODOX GAS WELL LOCATION AND
TO AMEND ORDER NO. R-9904, LEA
COUNTY, NEW MEXICO.

CASE NO. 10,828

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Santa Fe Energy Operating
Partners, L.P.
Suite 1330
500 West Texas
Midland, Texas 79701
(915) 687-3551
Attention: C. Smith

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
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Post Office Box 2068
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OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant force pooled the N½ of Section 18 - 20 South - 34 East, for a well to be drilled at an orthodox location. Subsequent to the entry of Order No. R-9904, the BLM informed Applicant that it would not approve the orthodox well location due to possible potash mineralization at that location. The BLM has since informed Applicant that it would approve a location 2,210 feet from the North and East lines of Section 18, which is near an existing well. As a result, Applicant requests approval of the unorthodox location and also requests that Order No. R-9904 be amended to permit the well to be drilled at said location.

OPPOSITION

PROPOSED EVIDENCE

APPLICANT

	WITNESSES	EST. TIME	EXHIBITS
1.	Curtis Smith (Landman)	10 minutes	(a) Land plat. (b) Letter from BLM. (c) Notice letter.
2.	David White (Geologist)	5 minutes	(a) Isopach of Morrow formation.

OPPOSITION

WITNESSES

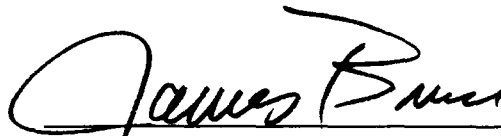
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in black ink, appearing to read "James Bruce", written over a horizontal line.

James Bruce
Post Office Box 2068
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(505) 982-4554

Attorneys for Santa Fe Energy Operating
Partners, L.P.